

23 October 1981

MEMORANDUM

SUBJECT: Unannounced Security Audit Policy

1. From the inception of the Industrial Security Branch in 1977, the policy has been to conduct unannounced security audits of industrial contractor facilities. In the opinion of those directly involved in this activity, there are no advantages or benefits to be derived from this practice. If the element of surprise is intended to preclude a coverup or quick fix of security deficiencies, it has been unsuccessful. The results of [redacted] audits give no indication of unannounced audit teams' finding a security condition of serious concern that would have been missed had the contractor known of their impending visit even weeks in advance.

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2. To the contrary, some of the disadvantages of unannounced audits are the following:

a. Critical contractor personnel, especially contractor security officers, contract administrators, document control officers, and cognizant senior corporate officials, are not available.

b. The appearance of an adversary relationship is established by the surprise nature of the visit.

c. There is apprehension, (literally fear in some cases) on the part of contractor employees because of the threat that surprise audits suggest.

d. The suggestion of mistrust is almost impossible to overcome during the 1 or 2 days (generally) that the audit encompasses.

e. Audit team clearances are phoned in just ahead of the audit team's arrival, setting a bad example for the contractors.

f. Reference and research materials cannot be forwarded to the contractor in advance of the audit; therefore the

auditors must continually develop details already established.

g. Headquarters preparations are hampered by the hold-down requirements of the unannounced policy. Coordination with COTR's, CO's, COSR's, etc. is limited for this reason.

h. Unannounced visits have resulted in overlap, with DOD auditors at contractor facilities causing both security and cover problems.

3. In summary, it is our belief that the unannounced audit policy serves no useful or productive purpose on one hand. On the other hand, it creates an antagonistic, threatening atmosphere totally inimical to our real purpose.

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